Before the

FEDERAL COMMUNICATIONS COMMISSION

Washington, D.C. 20554

| In the Matter of |) | |
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| Potential High-Cost Areas for Next Generation Network Experiments |) |))) WC Docket No. 10-90 |
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"EXPRESSION OF INTEREST"

INTERIOR TELEPHONE COMPANY

Interior Telephone Company (ITC), files its "Expression of Interest" in this proceeding pursuant to the Public Notice released by the Commission on February 6, 2014 (DA 14-154). In the Further Notice of Proposed Rulemaking, the Commission proposes to make available in any part of the country, whether served by an incumbent price cap carrier or rate-of-return carrier, a limited amount of Connect America Funds to entities willing to deploy robust, scalable broadband to high-cost areas.

ITC is dedicated to serving the broadband communication needs of high-cost rural Alaska. ITC is an incumbent Rural Local Exchange Carrier and an Eligible Telecommunications Carrier for its rural Alaska service area that is keenly aware of the challenges accompanying the provision of "universal service" in extremely high-cost to serve areas of Alaska. Interior Telephone has been providing telecommunications to rural Alaska since 1968. While ITC understands that companies must be financially viable, financial gain is not the only motivator for providing service; instead meeting our neighbors' needs is. Since 1968, ITC has grown and

currently serves about 5,600 telephone customers, meeting their voice and broadband communication needs.

Geographic Territory (Alaska, Lake and Peninsula, Census Tract 021640001)

Iliamna is an unincorporated village located on the north side of Lake Iliamna, 225 miles southwest of Anchorage. It is only accessible by air or water. The only road in the immediate vicinity is an 8-mile road connecting Iliamna to Newhalen.

The estimated population of Iliamna in 2013 was 97. The population is mixed, with non-Natives, Tanaina, Athabascans, and Alutiiq and Yup'ik Eskimos (Percent Native: 57.80%). Iliamna's current size and character can be attributed to the development of fishing and hunting lodges. Lake Iliamna is the eighth largest lake in the U.S. and tourism is increasing, as well as resource development.

Newhalen is located on the north shore of Lake Iliamna, at the mouth of the Newhalen River, 5 miles south of Iliamna and 230 miles southwest of Anchorage. Its estimated population in 2013 was 214. Newhalen includes Athabascans and Alutiiq and Yup'ik Eskimos (Percent Native: 91.30%). Most practice a subsistence and fishing lifestyle. Local Government is the main industry, employing 48 percent of the area's workers.

¹ Interior Telephone Company, Inc. - a public utility corporation (Certificate No. 165) providing local exchange telephone service to the following communities: Fort Yukon, Galena, Iliamna/Newhalen, Cooper Landing, Port Lions, Sand Point, King Cove, Cold Bay, Unalaska/Dutch Harbor, Moose Pass and Seward.

"Anchor Institutions"

Newhalen and Iliamna share a post office and a school – Lake & Peninsula School. A Clinic is located in each community: Newhalen Clinic and the Nilavena Subregional Clinic.

These clinics are operated by Bristol Bay Area Health Corporation.

Proposed Technology / Scalability

The ITC proposal leverages the existing networks for ITC customers and reaches an unserved market on the southeastern shore of Lake Iliamna. All markets are considered unserved or underserved, either by a) total lack of Internet service or b) availability of low-speed Internet offerings² that do not meet current federal broadband standards.

The proposed Iliamna project will offer a wireless broadband solution designed to provide affordable and sustainable "Last Mile" connectivity. Most significantly, the proposed project will provide reliable voice and broadband connectivity to approximately 30 unserved businesses and households on the isolated southeastern shore of Lake Iliamna, including 2 remote lodges that provide jobs and economic stimulus to these communities. The distance across Lake Iliamna is over 25 miles. Currently, this area is served by an Optiphone system (BETRS) that provides only voice services. And because the manufacturer of the system is no longer in business, no maintenance parts are available to restore the system if it should go down.

The ITC Internet proposal employs an IP based satellite system capable of providing high speed broadband and voice services with unprecedented service and reliability. The 4GHz-6GHz licensed wireless DVB-S2/ACM solution is the most efficient "Last Mile" delivery method for IP based satellite traffic today. The platform is scalable in size (over 100 Mbps download) to

² Currently, 87 customers connected to ITC's wireline network have access to 1 Mbps/512 Kbps Internet service.

meet the increasing demands of bandwidth intensive applications commonly used in distance learning and specialized medical applications. The C-Band operating frequency offers a substantial cost advantage over KU and KA band ensuring long term financial sustainability while being the most resilient to weather.

ITC's proposed design will leverage its existing VSAT site in Iliamna. The DVB-S2 hub will reside in the Iliamna central office. Given the remote nature of these small Alaska communities, ITC is particularly interested in providing enough bandwidth to support medical services, distance learning applications, and communications for emergency help. With the proposed technology, these communities will have the opportunity to develop economies and support improved health and education programs on a par with urban areas.

The Endura RTS-1 will provide the last mile link between the 30 unserved customers on the southeast shore of Lake Iliamna to the retrofitted VSAT earth station facility to be built at the Iliamna central office. Customers will be linked via a satellite transponder to the Internet backbone, connecting that portion of the Iliamna service area, previously without any form of Internet connectivity, with broadband service that will deliver outside world educational, medical, cultural and economic learning opportunities for the first time. Developing new avenues for advancing such quality-of-life factors will help this Iliamna community overcome disadvantages caused by the almost impenetrable confines of their geography.

Project Time Line

ITC estimates that it will take about 1 year to complete this project. Construction cycles are short in Alaska. Summer months offering 24 hours of daylight and warmer temperatures are an ideal time to attack communications infrastructure deployment.

Total Project Cost

ITC will apply for a grant of \$2 million, which is the total estimated cost of the project.

An award during the summer of 2014 will allow ITC to put its plans in motion to complete the

proposed wireless broadband system for the Iliamna and Newhalen exchange area.

Continuation of the "e-Rate" program is very important to sustaining the improved

network and broadband services for this remote area. Discounted rates for the school and the

clinics that are key beneficiaries of this project are a must. And as was recommended in the

FCC's own National Broadband Plan, if adopted, the creation of a "Tribal Broadband Fund"

would financially assist Alaska Natives and their related organizations and enterprises to obtain

and sustain a level of communications closer to parity with urban centers and other rural

communities of America.

Respectfully submitted, Interior Telephone Company

By:

s/ Brenda Shepard Chief Executive Officer

March 14, 2014

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